

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0271

HOUSE TRANSPORTATION COMMITTEE ENGROSSED NO. **HB 1047** - 01/17/2001

Introduced by: The Committee on Transportation at the request of the Department of
Revenue

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding leased or rented boats,
2 to revise certain provisions regarding boat license tags, and to revise certain provisions
3 regarding the exemptions from the excise tax on boats.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That chapter 32-3A be amended by adding thereto a NEW SECTION to read as
6 follows:

7 For the purposes of this chapter, any leasing or rental company that operates within the
8 principal place of business of a dealer, licensed pursuant to chapter 32-7B, is a business separate
9 from the dealership. A leasing or rental company shall title, license, and tax any leased or rental
10 boat in a name that is distinct and separate from that of the dealership name as indicated on the
11 dealer license under chapter 32-7B.

12 Section 2. That § 32-3A-7 be repealed.

13 ~~— 32-3A-7. The department shall issue boat license tags of a durable material to boat~~
14 ~~manufacturers and dealers upon application and payment of fifteen dollars for each set of boat~~

1 ~~license tags desired. Each set of boat license tags shall be valid until December thirty-one next~~
2 ~~following the date of issuance.~~

3 Section 3. That § 32-3A-8 be repealed.

4 ~~— 32-3A-8. Any new or used boat owned by a boat manufacturer or dealer bearing the~~
5 ~~manufacturer's or dealer's "BD" boat license tags issued pursuant to § 32-3A-7 may only be~~
6 ~~operated in this state by the boat manufacturer or dealer. The boat license tags shall be displayed~~
7 ~~as required by § 32-3A-5 and rules promulgated, pursuant to chapter 1-26, by the Department~~
8 ~~of Game, Fish and Parks Commission. The "BD" boat license tag may only be transferred by the~~
9 ~~boat manufacturer or dealer from one boat owned by the boat manufacturer or dealer to another~~
10 ~~boat owned by the same boat manufacturer or dealer. A violation of this section is a Class 1~~
11 ~~misdemeanor.~~

12 Section 4. That § 32-3A-9 be repealed.

13 ~~— 32-3A-9. Any new or used boat owned by a boat manufacturer or dealer, bearing valid~~
14 ~~manufacturer's or dealer's BD boat license tags, may be operated in this state by any prospective~~
15 ~~purchaser for a period not to exceed three days. No boat manufacturer or dealer may issue a~~
16 ~~manufacturer's or dealer's boat license tag to any boat for any other purpose. A violation of this~~
17 ~~section is a Class 1 misdemeanor.~~

18 Section 5. That § 32-3A-10 be repealed.

19 ~~— 32-3A-10. If a new or used boat is sold by a boat manufacturer or boat dealer, the boat~~
20 ~~manufacturer or boat dealer may provide a temporary tag permit to operate the boat in this state~~
21 ~~for thirty days after the date of sale of the boat or until the time the purchaser receives the~~
22 ~~licenses from the county treasurer, whichever occurs first. The temporary boat license tags shall~~
23 ~~be displayed as required by § 32-3A-5 and rules promulgated, pursuant to chapter 1-26, by the~~
24 ~~department. No dealer may use the permit upon any boat owned by the dealer or for any purpose~~

1 ~~other than for boats sold by the manufacturer or dealer. No person may renew the temporary~~
2 ~~thirty-day license permit nor change or alter the date or other information thereon. A violation~~
3 ~~of this section is a Class 1 misdemeanor.~~

4 Section 6. That § 32-7B-13 be amended to read as follows:

5 32-7B-13. If a boat is sold by a licensed dealer, the dealer may provide a temporary thirty-
6 day license permit which is a permit to operate the boat in this state for a period of thirty days
7 after the date of sale or until the time the purchaser receives the regular license decals from the
8 county treasurer, whichever occurs first. The temporary boat license tags shall be displayed as
9 required by § 32-3A-5 and any rule promulgated, pursuant to chapter 1-26, by the department.
10 No dealer may use the permit upon any boat owned by the dealer or for any purpose other than
11 for boats sold by the manufacturer or dealer. No person may renew the temporary thirty-day
12 license permit nor change or alter the date or other information thereon. A violation of this
13 section is a Class 1 misdemeanor.

14 Section 7. That § 32-7B-11 be amended to read as follows:

15 32-7B-11. Any new boat or used boat owned by a licensed dealer, bearing dealer license
16 plates issued pursuant to § 32-7B-10 may be operated in this state for any purpose, except no
17 dealer boat license plate may be used on any boat used for lease or rental. The license plate shall
18 be displayed on or carried in the boat. The license plate is transferable by the dealer from one
19 boat owned by the dealer to another boat owned by the dealer. Any violation of this section is
20 a Class 1 misdemeanor.

21 Section 8. That § 32-3A-52 be amended to read as follows:

22 32-3A-52. Exempt from the provisions of ~~this chapter~~ § 32-3A-50 are:

- 23 (1) Any large boat which is the property of the governmental units which are exempted
24 from motor vehicle registration fees by §§ 32-5-42 and 32-5-42.1;

- 1 (2) Any large boat acquired by inheritance ~~from or bequest of a decedent~~;
- 2 (3) Any large boat previously titled or licensed jointly in the names of two or more
- 3 persons and subsequently transferred without consideration to one or more of such
- 4 persons;
- 5 (4) Any large boat transferred without consideration between spouses, between a parent
- 6 and child, and between siblings;
- 7 (5) Any large boat transferred pursuant to any mergers or consolidations of corporations
- 8 or plans of reorganization by which substantially all of the assets of a corporation are
- 9 transferred if the large boat was previously titled, licensed, and registered in this state;
- 10 (6) Any large boat transferred by a subsidiary corporation to its parent corporation for
- 11 no or nominal consideration or in sole consideration of the cancellation or surrender
- 12 of the subsidiary's stock if the large boat was previously titled, licensed, and registered
- 13 in this state;
- 14 (7) Any large boat transferred between an individual and a corporation if the individual
- 15 and the owner of the majority of the capital stock of the corporation are one and the
- 16 same and if the large boat was previously titled and registered in this state;
- 17 (8) Any large boat transferred between a corporation and its stockholders or creditors if
- 18 to effectuate a dissolution of the corporation it is necessary to transfer the title from
- 19 the corporate entity to the stockholders or creditors and if the large boat was
- 20 previously titled and registered in this state;
- 21 (9) Any large boat transferred between an individual and limited or general partnership
- 22 if the individual and the owner of the majority interest in the partnership are one and
- 23 the same person and if the large boat was previously titled and registered in this state;
- 24 (10) Any large boat transferred to effect a sale of all or substantially all of the assets of the

1 business entity if the large boat was previously titled and registered in this state;

2 (11) Any large boat acquired by a secured party or lien holder in satisfaction of a debt;

3 (12) Any large boat sold or transferred which is eleven or more years old and which is sold
4 or transferred for one thousand five hundred dollars or less before trade-in;

5 (13) Any damaged large boat transferred to an insurance company in the settlement of an
6 insurance claim;

7 (14) Any large boat owned by a former resident of this state who returns to the state and
8 who had previously paid excise tax to this state on the large boat as evidenced within
9 the department's records or by submission of other acceptable proof of payment of
10 such tax;

11 (15) Between corporations, both subsidiary and nonsubsidiary, if the individuals who hold
12 a majority of stock in the first corporation also hold a majority of stock in the second
13 corporation; but these individuals need not hold the same ratio of stock in both
14 corporations provided the large boat was previously titled and registered in this state;
15 and

16 (16) Any large boat transferred by a trustor to his trustee or from a trustee to a beneficiary
17 of a trust.